(626)

UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
LIMITED

TD/L.353
1 May 1996

ENGLISH
Original: ENGLISH

Ninth session
Midrand, 27 April 1996

ADDRESS BY MR. RUBENS RICUPERO, SECRETARY-GENERAL OF UNCTAD, TO THE NINTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, ON 30 APRIL 1996

There are times when a man has to be born again if he wishes to be saved. So it is with institutions, so it is with nations. This is why no better venue than South Africa could have been chosen for UNCTAD at the hour of its Renaissance.

As this most brutal of centuries draws painfully to its end, what is happening here restores our faith in the brotherhood of man, in the power of the human spirit to heal and to forgive.

South Africa is our sole consolation for the massacres of Bosnia and Rwanda. It is a living proof that miracles of peace and reconciliation still exist in our day.

We were the contemporaries of Hitler and Eichmann, of Stalin and Beria. But we can proudly say that we are also the contemporaries of President Nelson Mandela, whose generosity, whose wisdom of the heart made this miracle possible.

For the honour of sharing with you this unique and privileged moment of your History, of human History, we say thanks to the Government and people of South Africa, whose example will inspire us to be no less bold in the attempt to reinvent our partnership and no less successful in giving birth to a new institution.

ZA.96-55161 (E)

As the Secretary-General of the United Nations, Dr. Boutros Boutros-Ghali, noted in his able summary of Saturday's two high-level round tables, globalization and the unification of markets are both "a new reality and an irreversible reality". It is, in my view, the culmination of a long historical process of contacts and unification of cultures and civilizations that began in the sixteenth century with what later came to be known as "The Age of Discoveries".

How to promote growth and sustainable development within the context of these two widely accepted realities: finding ways to take advantage of opportunities that arise and working together to minimize the higher risks that flow from these phenomena, especially to the most vulnerable, is the key challenge before us at this ninth session of the United Nations Conference on Trade and Development.

But there is also, of course, a second major challenge before us, and that is to determine the future role of UNCTAD as an instrument for the achievement of these objectives. Despite its 32 years of service to the cause of equitable economic development, and the many achievements that UNCTAD has to its credit, UNCTAD's sole justification for its future existence must be its continued relevance and practical contributions to member States. A successful Conference will therefore be one in which you as my shareholders, to borrow a corporate metaphor, put in place a revamped and revitalized UNCTAD, one which is able to serve you even better in the years ahead.

As you know, with this objective in mind, earlier this month a sweeping reorganization of the secretariat began to take place: nine divisions were collapsed into four, creating clusters of work designed to promote synergies between our different fields of activity, while bureaucratic support structures were sharply reduced. Let me emphasize that this restructuring has not been impelled by the United Nations financial crisis, but by the desire to bring the instrument of UNCTAD up-to-date, to reflect the many changes on the world scene of recent years.

Breathing life into the new body taking shape, by determining UNCTAD's priorities and future work programme and finding ways to accommodate the dynamic "new actors" for development - private companies and elements of civil society - will then be your task. Many important details of the restructuring must inevitably await the outcome of this Conference. But, thereafter, the new structure should be put into effect as soon as possible with the necessary flexibility and open-mindedness to make adaptations in the light of reality. We will, of course, welcome all suggestions and ideas about how to best implement our shared goals of an improved and much more effective organization.

A successful Conference must also be one in which the intergovernmental machinery is overhauled. The Trade and Development Board made a good start to this task at its eighteenth special session in December 1995. And I believe there is a large degree of consensus among member States as to where they would like to go in this respect. Now, they must complete the job, to ensure that all the machinery of UNCTAD is fully operational soon after close of business on 11 May. To make this happen, the Conference must take up the details of such matters as the terms of reference of intergovernmental bodies.

To conclude these scene-setting remarks, the Conference should set clear priorities for the coming years. In doing so, it almost goes without saying, priority-setting should not be to the detriment of UNCTAD's broad mandate in the field of trade and development. Without the capacity for a global vision, analysing the underpinnings of complex economic phenomena and undertaking empirical studies of successful developmental experiences, UNCTAD would be unable to offer sound technical assistance and policy advice to those who need it most.

In his latest book, *The Age of Extremes*, after concluding that the globe is now the primary operational unit in the economic sphere and that older units such as national economies are being reduced to what he calls "complications of transnational activities", the distinguished British historian Eric Hobsbawm writes the following:

> "Perhaps the most striking characteristic of the end of the twentieth century is the tension between this accelerating globalization and the inability of both public institutions and the collective behaviour of human beings to come to terms with it."

As human beings summoned to South Africa from around the globe to participate in determining the destiny of one of those public institutions, while we may agree with Hobsbawm's judgement, the task now before us is to prove him wrong. Based on the collective energy with which members engaged in pre-Conference negotiations in Geneva as well as the resounding success of Saturday's opening event, I, for one, am convinced that the auguries are good.

AN APPREHENSIVE ERA

The background to this collective effort, however, is a universal climate of gripping anxiety and fear, a fear of the unknown more acute perhaps than any since the early voyagers set out on uncharted seas to unknown lands in search of treasures that often turned out to be myths. Fear is infectious. And it can be disabling. In this there is no distinction between seemingly mighty governments and humble individuals.

The pervasive malaise fuelled by fear, the possibility of a backlash against globalization, has two basic causes. The first is the fear of an uncertain future, of losing one's job, of lower pay, of countries becoming marginalized. The second cause is the feeling of injustice, the suspicion that once more the price of globalization will be paid by the poor and the weak.

Against fear, there is only one remedy. We have to demonstrate in concrete ways that there is life after globalization. People live much more from the future than from the present. But faith in the future is synonymous with hope. And hope does not thrive with injustice. As national barriers fall and a single unified market begins to take shape, competition is exacerbated. Competition, as with every game, needs fair rules and strong arbiters, rules to empower countries and people to compete on an equal footing, efficient governments and international organizations to enforce those rules.

It is in this regard that the slogan adopted by UNCTAD at Cartagena in 1992 of "A Partnership for Development" must be given real significance in the

coming period. Partnership implies solidarity, standing shoulder to shoulder and helping those less equipped to cope with a more competitive global economy. The logic of competition has to be balanced by the logic of solidarity.

There, then, lies UNCTAD's vocation. UNCTAD must, and will, remain the guardian of the world's development conscience, striving for greater equity and a narrowing of the disparities between nations. Those disparities are growing. And they may be exacerbated, at least initially, by the forces of globalization and liberalization.

But that is no reason for being faint-hearted or to abandon the challenge. It is a reason to come up with new tools, such as those of information technology, and new development strategies, particularly for LDCs, the small economies, and those dependent on export revenues from one or two commodities. We must invent new market-based ways of mobilizing private capital and expertise to create economic opportunities for the poor inside nations and for the poor countries of the world.

Many of these countries are here in Africa, giving special significance to this Conference. Their growing vulnerability to the vagaries of global economic forces must be recognized by multinational institutions and the international community at large, and appropriate, adequate, timely solutions must be found.

Increasingly UNCTAD must offer practical advice and tangible support to developing countries, carefully calibrated in accordance with their differing stages of development and of integration into the world economy. At the same time, UNCTAD must retain its role as a universal forum for discussions and consensus-building on development issues, while providing members with the intellectual tools they need through the provision of high-quality, development-orientated, macroeconomic research. One without the other would be like the sound of one hand clapping.

THE TASK AHEAD

Moving on to what specifically UNCTAD should be doing over the coming period, a useful distinction can be drawn at the outset between those developing countries which need help in developing their supply capabilities and those which have a problem of access - whether this be to markets, capital or technology. UNCTAD has the in-house capacity to work on both lines. Helping developing countries and economies in transition integrate better, and more fully, into the international trading and economic system is clearly central.

In the light of the Uruguay Round and the establishment of the World Trade Organization, UNCTAD is uniquely equipped to undertake several interrelated tasks. Firstly, to prepare developing countries and countries in the process of accession to WTO - and there are now 29 countries in such a situation - for the new demands that will be placed upon them; to explain to them the opportunities that are provided by this more predictable regulatory environment, and to advise them on the consequences of globalization and liberalization.

Secondly, UNCTAD should be mandated to tackle, from both a macro and microeconomic perspective, the problems of marginalization and exclusion. These issues are by no means new. But the political will to do something concrete about it has, until now, been largely lacking. It would be a historic aberration if a force destined to unify and integrate the world were to end up by excluding peoples, countries and continents. The excluded 2 billion have not yet benefited from the universal success of the market economy model. But the market and the forces of the private sector that make it work can and must be used for the integration of the poor.

Sustainable development has been a characteristic of our work to date, and it should be encouraged and promoted further. Our work on trade and the environment is one such example. In this regard, I am convinced that the economics of the environment will shortly become a matter of growing concern and importance to policy-makers. UNCTAD would be able to make a useful contribution to the research work that has to be undertaken.

I also believe that UNCTAD must put more emphasis on investment and enterprise development. They are the fuel and the engine of growth, the only way in which jobs can be created. UNCTAD shares with others the conviction that the promotion of small and medium-sized enterprises in particular is vital for developing countries. At the same time, transnational companies have the capacity to provide countries with an unrivalled package of assets for growth and development. As UNCTAD has noted, a growing number of these big players on the world stage are based in developing countries.

The relationship between UNCTAD and the WTO has been a question mark for some people of late. Any misgivings about whether there is room for the two organizations should be laid to rest. Strong and growing links are being established between us in a clearly complementary and mutually supportive relationship. The joint technical assistance programme that Mr. Ruggiero and I announced last Friday for Africa should be proof of this assertion.

If it is true that NGOs, development institutes, and other parts of the civil society are playing an increasingly dynamic role in development, then it is incumbent on us all to find better ways of integrating them into UNCTAD's work. I very much hope that this Conference will seize this moment to give them the place they deserve in our daily work for development.

CONCLUSION

In conclusion, let me stress once more that we have to build consensus on a balanced strategy for growth and development. We must seek to complement competition with solidarity, to balance the efficiency of markets to create wealth and innovation with the need for an effective State capable of providing the legal and institutional framework for growth, income distribution and human development. We must recognize that each country has the primary responsibility for the adoption of the sound macroeconomic policies necessary for its development, that, as the President of Costa Rica put it, nobody will do for us what we ourselves do not want to undertake. But if this primary responsibility of taking one's destiny in one's own hands is a necessary condition, it is by no means sufficient. We absolutely need an international community that provides an enabling economic external

environment of growth, a renewed spirit of cooperation for development, official aid and debt relief, particularly for those who will not be able to survive and progress if abandoned to their own limited resources.

In sum, we need today, as we did 32 years ago, no less determination to face the challenge of widening inequality, of absolute poverty, of human despair. Above all, our first and foremost duty is towards the poorest among the poor, the least developed countries, the small and weakened economies. For UNCTAD, and for me personally, it is a matter of deep moral commitment and a matter of honour that those countries receive from us more and better services, that we can effectively contribute to the task of eliminating absolute poverty and the very existence of a category of countries that constitute a living indictment of our failure in fighting the most extreme forms of deprivation. As it has often been said, we will be judged by the way we treat the weakest and most vulnerable members of the international community, and in our case of the UNCTAD community.

That brings me back to the theme of justice, and justice, first of all, for this most marginalized and sacrificed continent where we meet today, Africa. The violence, suffering and poverty of Africa is perhaps the biggest and most grave failure of the twentieth century. We are all in debt to Africa for what we have been taking from it for centuries. I come from a country which was to a very large extent built by African forced labour, a country where a conservative politician speaking in Parliament 150 years ago stated: "Africa civilizes America". He said that in defence of the institution of slavery. But he was saying the truth because without the talent, the pain and toil of millions of Africans, civilization would not have been built in my country and in many of our countries. We have never given back to Africa not even a small part what we took away from it and I am afraid that the words of the poet, T.S. Eliot, could be well applied to us:

"Whatever we inherit from the fortunate
We have taken from the defeated"

It is time to start paying this huge human and social debt, which is much bigger than that other one, the financial debt to banks and governments. We have to come up with sensible and practical solutions to African needs, inspired by another great man who devoted his life to care for the Africans, Albert Schweizer, who described himself as a "pessimist in knowledge but an optimist in hope and action". Quoting Eliot again:

"History may be servitude
History may be freedom"

It depends on ourselves whether this time History will be freedom from hunger, from deprivation, from disease. For that, we do not need to repudiate our past. We must, on the contrary, rekindle our original inspiration and original thirst and hunger for justice and progress if we wish at the same time to reinvent UNCTAD and to return to what was and remains valid in its past. In the future, when people will remember this Renaissance Conference for UNCTAD, I hope that they will apply to us T.S. Eliot's words:

"In our beginning is our end, in our end is our beginning".